

A Historical View of Economic Categories

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(Mainstream, Vol XXVI No. 35 June 11, 1988)

The founder of neo-classical economics, Alfred Marshal, defined economics as the study of man “in the ordinary business of life”¹. It is not surprising that he should have referred to life as a business - his choice of phrase is but an example of the uncritical ideological reflexes of capitalist society which characterizes much of ‘social science’. When we are urged to “Be Indian, Buy Indian”, is not ‘being’ equated with ‘buying’? When state policy is proclaimed as being neither Right or Left, but merely ‘Good for India’ (all states exult in patriotic virtue), does not this mystical abstraction serve as an ideological cloak for the accumulation of capital, as a mode of representing the interest of a part of society as its collective interest? Does it not serve to remind us that the very notion of the Good is tending towards global uniformity and subject to IMF approval? Dominant trends in social science treat as axioms such phrases as “the productivity of Capital”, the “Good for the Nation”, the “Greatest Good of the greatest number”, the “Growth of the economy”, etc. all of which serve to obfuscate still further the object of their investigations.

In an essay on Marxian economics²—she presumes there is such a thing-- Joan Robinson dismisses Marx’s method as “Hegelian stuff and nonsense” and then goes on to speak of the ‘productivity’ of capital, reducing the latter sometimes to machines and sometimes to applied science and technology. She goes on to appeal for the necessity of liberating capital from private ownership, as if its alien and despotic character were not its very essence. The plot thickens. It is clear that we need to look critically at the language of economics and to look outside its domain, because to ask the apologist of the status quo for clarifications of basic questions is like expecting to comprehend the

1. *W.J.Barber*, A History of Economic Thought, p. 168.

2. *Joan Robinson*, An Essay on Marxism Economics quoted in Roman Rosdolsky, The Making of Marx’s ‘Capital’ 48 p. 53

inner universe of the asylum by asking its inmates to write textbooks of grammar.

The so-called political science reduces the definition of the nation-state to an arithmetical sum of geographical, demographic and social attributes with no apparent links between them. Similarly, common-sensical economics refers us to three “factors of production”, Land Labour and Capital, understood not merely as three forms of distribution of revenue, but as three independent sources of value creation, working harmoniously together. Marx referred to this conception sarcastically as the ‘Trinity formula’ and said³ of these ‘factors’, that “they have about the same relation to each other as lawyers fees, red beets, and music.” Denoted thus by the Trinity formula, capitalism appears as “an enchanted, perverted, topsy-turvy world, in which Monsieur le Capital and Madame la Terre do their ghost-walking as social characters and at the same time as mere things”⁴. Marx stresses that it is an illusion to derive ground-rent simply from the earth, or wages simply from labour, but that these forms of distribution presuppose modern, capitalistically modified landed property and modern wage-labour. Land and labour in this simple form are common to all modes of production, whereas capital is a definite social relation, belonging to a definite historical formation of society.

Paradoxically, the same common-sense that treats capital as a thing, a mere natural factor of production, also tells us that capital creates wealth, that money somehow magically begets more money, and that profits spring automatically from the difference between the cost price and the sales price of commodities. Marx on the other hand, refers to capital as being ‘productive’ only in the one sense of its being the ruling social relation of the bourgeois mode of production, a relation which enforces surplus labour in a disguised form and develops the social productive forces. But by no means does ‘it’ add to value of commodities or create value. To confound capital with labour as two equivalent ‘factors of production’ is to confuse the energy behind the whiplash with the motive power provided by the horse. Its real ‘productivity’ lies in its insatiable hunger for surplus-value. Thus, questions such as “what is wealth” and “what are the factors of production?” resolves themselves further into the question, what is productivity?” and

3. *Karl Marx* Capital Vol. III Chapter 48 (p 814)

4. *Marx*, Capital Vol. III p 830

this cannot be dealt with except historically.

An economy is purportedly a population engaging in production. But the former invariably breaks up into classes and interest groups which do not always co-exist harmoniously. And as it engages in the reproduction of its social life, it does so within given forms of state and property relations, socio-cultural institutions, etc. These are always historico-specific, and we cannot collapse them together under such phrases as the “life of the Nation”, if for no other reason but that the nation -state itself is merely one of these historico-specific forms. To draw a straight line backward in time, deriving a simple connection between the glorious Present and the ‘golden’ ages of Antiquity is to vulgarize history beyond recognition. Thus, “Indus Valley to Rajiv Gandhi” is as ridiculous a connection as “Mohenjodaro to Zia-ul-Haq”, “Plato to Papandreou”, and “Big Chief Sitting Bull to Ronald Reagan.”

On reflection, we find that production is not a simple, but a circular and pulsating process which includes distribution, exchange and consumption as internal moments. Production creates the objects appropriate to given need, distribution divides them according to social laws, exchange parcels out the divide shares to individuals, and consumption becomes the satisfaction of need. But simultaneously production is a consumptive process, and further, consumption is a productive process.

Distribution, apart from being merely the distribution of products, seems to precede production. Conquest or peasant revolution may alter the distribution of landed property and thus affect production. The distribution of the instruments of production, of the members of society among various branches of production, are elements comprised within production which determine its structure. However, if these relations appear as the natural presuppositions of production for one epoch, they were themselves the historic product of another. Again, a certain pattern of exchange is involved within production itself, and is a constituent of it. However, the nature of the exchange, whether private or otherwise, its intensity, and the forms of exchange between town and country are all comprised within the specific forms of production and division of labour.

Thus, production, distribution, exchange and consumption are not identical, but elements of the same totality, within which the process always returns to begin anew⁵. Moreover, *“in all forms of society there is one specific kind of production which predominates over the rest, whose relations thus assign rank and influence to the others. It is a general illumination which bathes all the other colours and modifies their particularity.”*⁶

Apart from categories such as population and production, the concept of wealth is itself historically variable. The idea of national wealth for instance, appeared among the Europeans in the 17th century, in the argument that wealth is created only to enrich the state, and from this, that the generation of wealth is the purpose of modern states. Contrast this with Grecian antiquity, wherein wealth was not considered the aim of production, but the question was rather which form of property created the best citizens. Economic doctrines such as the medieval European Monetary and Mercantile systems, (which located wealth in its objective form of the precious metals), and Physiocracy, (which located it solely in ground rent), elaborated the concept of national wealth. Wealth, considered not as this or that object, but as an abstract, universal category, the product of labour as such, was the great step forward in classical political economy taken by Adam Smith. Of course, for him, wealth was still the product as dead, objectified labour. It is also true that he could make this intellectual breakthrough because of the greater maturation of the division of labour in his times---indifference to any specific form of labour presupposes a very developed totality of real kinds of labour.⁷

Thus, our first critical glance shows us that concepts such as wealth, population, and production have to be broken down and re-assembled both logically and historically, and further, that even the language that past societies have used to describe themselves can be dynamically comprehended by us only as historically determinate. It is not accidental that what we call respectively, profit and interest, were referred to by

5. Marx, Grundrisse, (Pelican, 1973), p 99. (This section is entitled “Introduction” and is also available in Marx’s “Contribution to the Critique of Political Economy’.)

6. *ibid*, p 106 emphasis mine (DS)

craftsmen as maintenance and by moneylender as rent in medieval times, nor is it surprising that to certain so-called primitive societies, the very distinction we make nowadays between work-time and leisure-time would be completely meaningless. Now, going back to the 'factors of production', it must be stressed that social characteristics such as value, interest, etc, cannot be considered natural properties of the things to which they seem attached. Capital does not derive from mere means of production, nor wages from labour, nor rent from land, any more than money springs (immaculately conceived as it were), from the mere existence of gold and silver. As well might one proceed directly from coal to steam engines and from the human race to bankers, pickpockets and college lecturers! Between an activity such as labour (assuming that it is conceived of as such by the doer), and its historical form, between a thing such as a machine and its social form and function, there is a logical distance which must be covered conceptually in order to do justice to its uniquely historical characteristics.

Under capitalism a further complication arises. Not only do categories representing production relations have to be considered historically, but also as reified entities i.e, as abstractions which have acquired a life of their own, a material as well as 'spiritual' form. Commodities appear as bearers of social relations, and production relations such as interest and capital assume a material form and strut about as forces independent of human will, with autonomous interest. (One might well consider why words such as *interest*, *credit*, and *trust* appear in monetary transactions in the first place). Instead of humanity being the goal of production, production becomes the goal of humanity, divided into classes and alienated by its historical creations. Instead of living labour using dead, objectified labour for the fullest possible enrichment of social life, on the contrary, we have dead, objectified labour fetishised as capital, ruling over living labour for the sole purpose of its self-augmentation in the form of profit. We do not survive in order to create, but rather, we sell and pervert our creativity in order to survive. *This inversion of subject and object is a necessary product of real causes; and illusions about it are essential to the continuation of the process of capital accumulation.*

If capital is not a thing, not machine or technology but a production relation, how do we define it? Marx's extremely rich conception admits of no easy summary. But an elementary outline would call it self-expanding value, the process by which value, the substance of which is abstract labour, continually augments itself through a generalized expansion of commodity production. Its sole aim is the accumulation of wealth for its own sake, and in its most abstract form, viz., money. It is for this reason that Marx considers capital as representing the achievement of immortality of money.

The starting point of Marx's analysis, therefore, contains the crucial distinction between the *thing*, the production process in its material technical aspect on the one hand, and their respective *social forms* and functions on the other. In his definition of the commodity, the latter is resolved into a unity of two aspects, use-value and exchange-value. The former refers to the object as a specific artifact of utility (and this includes intangible images and services), and the latter to the same object as an exchangeable good which possesses an abstract quality, value, which makes it commensurable with every other object and service. It is only the fusion of its concrete with its abstract properties that makes it a commodity, that universal particle of the global market-place.

Pre-capitalist production relations are usually semi-permanent and embodied in fixed, hierarchical relationships cemented by convention, culture and direct physical coercion. In capitalist society such permanent and direct relationships do not exist; capitalists, landowners and workers are formally autonomous, and individual commodity owners who establish their relationships in the market, as social representatives of so-called factors of production:- the capitalist being capital personified ("capital endowed with flesh and a will", as Marx puts it), the landowner – land; and the wage-earner - the mere personification of the power to labour.⁸ All production relations are established by the immediate or expected mediation of things, and the innumerable repetition of these types of transactions leads to the crystallization of production relations in the forms of

8. This notion of the regime of capital as being the reign of reified economic categories to which real human being are attached as mere representations, is the central theme of Marx's critique of political economy, and recurs throughout 'Capital' & 'Theories of Surplus value' (TSV). The following references are purely indicative: Capital VolI Ch. I sec. 4, also pages 256-259, 292-3. 304-310. TSV Part I Addenda 11& 12, pages 386-409.

social properties of things. This is what Marx calls *reification* of the production relations, or the “materialization of the person”⁹.

Furthermore, abstract social qualities become fastened onto things and preserved within them even when the production relations are interrupted. Things appear to come forth with a fixed and determinate social form and thereby exercise an influence on people’s behaviour - the impact of society on the individual being carried out through the social form of things. When the things determine the social character of their owners, the personification of things seems complete. The circulation of money, which is both the product and the producer of social production relations demonstrates most clearly the process of the reification of production relations and the personification of things. The two aspects stem from each other, yet personification is more directly observed. Currencies, and commodities have strengths, weakness and mutual socio-political relations, with explicit effects on the behaviour of economic agents. But the fact that the social form of things is traceable to the production relations among people, is not so obvious, being the consequence of a long historical process, not immediately discernable.

However, if the two process are not comprehended together, social powers appear as the natural attributes of things. Value is seen in money, productivity in capital, etc. This common sense of the market place, this “religion of everyday life”, is the *commodity fetishism* to which economics and the social-sciences fall victim. But the semblances are produced by reality itself, since the market is the place where we can actually observe the operation of material relations between persons and social relations between things. Fetishism is not only a phenomenon of social consciousness but of social being.

Since a capitalist economy is not based on deliberate and conscious allocation of labour different branches, the division of labour takes place through the market - the deviation of market prices from values being the mechanism for establishing an equilibrium among various sectors of production. Thus, commodity production is a system of

9. TSV/I/p. 390

constantly disturbed equilibrium, each disturbance provoking a tendency for its re-establishment. The law of value thus appears, for Marx, as the law of equilibrium and the regulator of production for the capitalist economy.

What then is value? It is directly proportional to the quantity of labour necessary for the production of commodity. But under capitalism, specific concrete labour is not deliberately socialized, but becomes socialized only through the act of exchange. In exchange, the specific type of labour and the specificity of the utility are completely abstracted - the labour which determines value is *abstract* and *socially necessary* labour, - not physiologically equal or socially equalized labour¹⁰. It is labour in general. In pre-capitalist economies, it was the specific kind of labour, its particular aspects, which constituted the social bond. Whether in the caste-based Indian *jajmani* system or in serf-based feudal agriculture, communal production made it impossible for individual labour to be private because the individual had a function as a member of a social organism. But labour under capitalism, (i.e. capital posited wage-labour) is in its immediate sense the labour of a private separate individual¹¹. However, products as values have to embody *social* labour, in order to be convertible from one use-value into all other. They become such embodiments only by taking on the form of abstract, universal labour.

Just as a commodity has two aspects, the determinate and the abstract, so too does the labour which produces it. The abstract character of labour assumes its most developed form with the emergence of a world market and global commodity production. Furthermore, since different exemplars of the same commodity are produced under different conditions, oppositions between individual and market (social) value must appear, especially as individual capitalists always strive to lower individual values in comparison with market value so as to extract super-profit. Thus, it is the value of the

10. See Marx, 'A Contribution to the Critique of Political Economy,' pages 27-52. Also refer to the chapters on Commodities; Exchange and Money in Section I of 'Capital.'

11. Commenting on the labour of handicraftsmen and peasants in capitalist society, (TSV/I/p. 409), Marx writes, "...in this society unity appears as accidental, *separation* as normal; and consequently, separation is maintained as a relation even when one person unites the separate functions. Here emerges in a very striking way the fact that the capitalist as such is only a function of capital, the labourer a function of labour-power..."

dominant mass of products of a given type which determine the market value - this is what is meant by *socially necessary labour time*. Abstract labour and value therefore, have a social, not material or biological character.

The function of money now appears logically fused with the operation of the law of value. Since the natural distinctness of commodity must come into contradiction with their economic equivalence, their value has to achieve a material existence which is qualitatively distinguishable from them. To put it in another way, in order that the labour of a private individual may become the embodiment of social labour, a real mediation is required; the abstraction has to be objectified in the real process of exchange. Two commodities which exchange must 'double' themselves, i.e. compare each other with a third one, which represents each as exchange-value, as congealed, socially necessary labour-time. This objective, universal equivalent is money, the representation of abstract wealth, the mediator of all goods and services that are exchangeable. Thus, the riddle presented by money is but the riddle presented by commodities. "It is not money that renders the commodities commensurable. Quite the contrary. Because all commodities, as values, are objectified human labour, and therefore in themselves commensurable, their values can be communally measured in one and the same specific commodity, and this commodity can be converted into the common measure of their values that is into money. Money as a measure of value is the necessary form of appearance of the measure of value which is immanent in commodities, namely labour-time"¹².

From primitive forms of money such as cattle, shells or hides, and with the increase in the frequency of exchange, gradually the precious metals established their peculiar serviceability due to their malleability, indestructibility and their compression of great exchange value in little space. "The truth of the proposition that 'although gold and silver are not by nature money, money is by nature gold and silver, is shown by the fitness of the physical properties of these metals for the functions of money.'¹³ The practical difficulties in the way of coining minute quantities of gold, the loss of weight

12. 'Capital', Vol. I (new translation, hereafter referred to as NT) p. 188.

13. 'Capital', Vol. I p.92

caused by constant use, and the tendency to mint the less precious before the more precious (copper before silver, silver before gold, etc-these facts partly explain the emergence of the token-form of money). But the potential for this emergence lies in the fact the currency of coins creates a distinction between their metallic and their functional existence. When the function of money as medium of circulation becomes completely independent of the value of gold as a commodity, relatively valueless things can serve as coins in its place. This purely symbolic character of the currency is masked to some extent in the case of metallic tokens, but stands out plainly in the form of paper money.

“The presentation of the exchange-value of a commodity as an independent entity is here only a transient aspect of the process. The commodity is immediately replaced again by another commodity. Hence in this process which continually makes money pass from hand to hand, it only needs to lead a symbolic existence. Its functional existence so to speak absorbs its material existence. Since it is transiently objectified reflection of the prices of commodities, it serves only as a symbol of itself, and can therefore be replaced by another symbol. One thing is necessary, however; the symbol of money must have its own objective social validity. The paper acquires this by its forced currency.¹⁴”

In one of his earliest writings, dated 1844, Marx describes the social implications of the objective power of money in bourgeois society and its character as expression of general human ‘alienation’, or ‘estrangement.’

“...By possessing the *property* of buying everything...of appropriating all objects, *money* is thus the *object* of eminent possession. The universality of its *property* is the omnipotence of its being. It is therefore regarded as omnipotent... That which mediates my life for me, also mediates the existence of other people for me. For me it is the other person...The extent of the power of money is the extent of my power ...what I *am* and *am capable of* is by no means determined by my individuality...I am bad, dishonest,

14. ‘Capital’, Vol. I (NT) p.226

unscrupulous, stupid; but money is honoured, and hence its possessor. Money is the supreme good, therefore its possessor is good. Money, besides saves me the trouble of being dishonest: I am therefore presumed honest. I am *brainless*, but money is the *real brain* of all things and how then should its possessors be brainless? Besides, he can buy clever people for himself, and is he who has power over the clever not cleverer than the clever? Do not I, who thanks to money am capable of *all* that the human heart longs for, possess all human capacities? Does not my money, therefore, transform all my incapacities into their contrary?... If *money* is the bond binding me to *human* life, binding society to me, connecting me with nature and man, is not money the bond of all bonds? Can it not dissolve and bind all ties? Is it not, therefore, also the universal *agent of separation*? ...It is the visible divinity ...the common procurer of people and nations... The distorting and confounding of all human and natural qualities, the fraternization of impossibilities--the *divine* power of money lies in its character as men's estranged, alienating and self-disposing species-nature. Money is the alienated *ability of mankind*¹⁵.

Historically, the less developed the level of exchange, the greater was the social power of the traditional community that bound individuals together, whether these were ancient tribes, agrarian communities, servile villages or crafts guilds etc. The dissolution of all products and activities into commodities means the dissolution of fixed personal relations of mutual dependence and their replacement by a global structure of capital to whose logic all individuals are subordinated. Whereas earlier they depended on one another, (even if in brutal forms), now they are ruled by abstraction borne by things, all of which appears as if they were natural, uncontrollable conditions. The individual now carries his social power, his bond with society, in his pocket; and strangely enough, this social quality appears as numerical and material magnitude which determines his life.

Because the money relation tends to dissolve traditional ties and distinctions of blood,

15. *Marx & Engels, Collected Works, Vol 3, pages 323-325.*

status, education etc., it appears as the great leveller and seduces the democratic pretensions of the bourgeoisie. After all, the building blocks of capitalist democracy, the reified categories ‘man and citizen’ are umbilically connected to the social power of the money-relation. The very emergence of the modern phenomenon of the social individual is engendered by the development of this relation. But this social individual remains in bondage to class existence, and to an autonomous, impersonal structure wherein all of his/her powers, activities and relationship are made vulnerable to colonization by an entity (the economy) outside of and above people themselves. Money reigns supreme as the arbiter of social life, being the physical medium into which all exchange-values are dipped, obtaining a form corresponding to their general character. The logic of mediation takes over—just as Christ, the god-man becomes more important than God himself, the saints more important than Christ, and the Popes superior to the saints, *money becomes the secular god of the society of commodity producers*. The intermediary is always the real power over that which he mediates to me. The domination of person over person is transcended by the universal domination of *things* over people, the product over the producers.

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Since everything is obtainable by money, there is nothing higher or holier. Since money surrenders to everything, and is yielding in return of anything, it becomes the universal means of corruption and prostitution. In fact, “universal prostitution appears as a necessary phase in the development of the social character of personal talents, capacities, abilities, activities.”¹⁶ The less developed the patterns of exchange, the more does money, whose appearance by far predates the emergence of capitalism, lie dormant in the form of a hoard, while remaining at the same time the first form in which abstract social wealth can be held. Because it is the objective form of the universal equivalent, it is both the fountainhead and the purest object of greed. And because it distorts and confounds all human and natural quantities, Marx calls it the alienated ability of mankind.

16. Grundrisse, p. 163.

With the fuller development of exchange, money, instead of withdrawing from circulation into the hoard, becomes the essential lubricant of circulation. The fact, the development of capital as a generalized social relation is based upon the objective existence of the universal equivalent. Money as such already contains the *latent* quality of being capital “All commodities are perishable money; money is the imperishable commodity.”¹⁷... “The immortality which money strove to achieve by setting itself negatively against circulation, by withdrawing from it, is achieved by capital, which preserves itself precisely by abandoning itself to circulation.”¹⁸ The tangible thing loses its rigidity and becomes a process. *This process, the endless oscillation between money and the totality of commodities, is identical with capital, whose motive logic is nothing but self expansion.* The imperialism of capitalism, which appears historically as the domination of the “West”, is in fact far more insidious; with the universalisation of the commodity-form, it engenders the invasion, colonization and subjugation of every aspect of human ‘material’ and ‘spiritual’ life, as well as its natural environment; it brings about the downfall of all traditional forms of community, and the advent of atomization, separation and alienation in social life. Money was originally the representative of all values, in the inverted reality of capitalism, all real products and labours become the representatives of money.

The only way in which this perpetual spiral of self expansion can take place is if money is exchanged for a use-value from which exchange-value itself develops, is produced and increased. This, exchange must at the same time be a genuine exchange between two sovereign owners of commodities. This is possible when there exists a class of proletarians who lack the means both of labour and existence, who are obliged to sell their *capacity for labour*, as their only saleable commodity. Since the worker can produce more value in the working day than is socially necessary to reproduce his daily life, it follows that the only exchange by which money can become full-fledged capital is when the money-owner enters into an exchange with the owner of labour power. The *form* of equivalent exchange is in this case the basis for an actual *appropriation* of alien labour time *without* exchange. Thus Liberty, Equality, and Property for the bourgeoisie

17. Grundrisse, p. 149

18. Ibid., p. 261

turn into formal liberty, abstract equality and real propertylessness for the workers.

The above is a brief outline of the basic concepts with which Marx developed a comprehensive critique of the logic of capital culminating in the postulate of the tendency for the rate of profit to fall. What is the significance of these concepts? Marshallian economists who specialize in the study of market behaviour, treat notions such as the fetishism of commodities and the question of the content of value as metaphysical speculation and hair-splitting. Moreover, they treat political economy as if it were the long dead grand-parent of modern economics. But this is a grand evasion.

According to I. I. Rubin, the last of the great Russian political economists in the classical mould, “Political Economy deals with human working activity not from the standpoint of its technical methods and instruments of labour, but from the standpoint of its social form. It deals with production relations which are established among people in the process of production.”¹⁹ It is not the study of scarce resources or of prices, but a study of social relations, of culture. It asks why productive forces develop within a particular social form, why the machine process unfolds within the context of business enterprises, why industrialization has taken the form of capitalist development, and why capital on a global scale engenders perpetual crises and militarization. It provides sharp insight into the supersession of the traditional ethical fabric of society by efficiency, amorality, and mindless egotism. Where Marshall professes to study “man in the ordinary business of life,” Marx inquires why life is overtaken by business and why this conflict-ridden life is considered ordinary. This is because he was not restricted by the horizon of the capitalist economy and saw it as only one of past and possible forms of economy.

The fact that the human hand is capable of a high degree of dexterity is presupposed in the very structure and shape of implements it makes and uses, such as the pen, the plough, the steering wheel and the keyboard. Similarly, within the existent structure of political, military and economic institutions, and within their conceptual languages, the history of their emergence lies suspended in their being -- a history of conflicts of ideas

19. *I.I. Rubin*, ‘Essay on Marx’s Theory of Value’ p. 31

and interest groups, of struggles between contending moralities, and of the brutal dispossession and dismemberment of traditional communities from 'Red-Indians' to Zulus to Adivasis. The primitive accumulation of capital was accomplished by a violent usurpation of alien labour -- the history of colonialism both internal and external, is well documented. Modern forms of domination, however, are mediated by proto-democratic institutions, opaque production relations and highly complex ideological control mechanisms—in which the social-science play their appointed role.

“The oldest social specialization, the specialization of power, is at the root of the spectacle. The spectacle is thus a specialized activity which speaks for all the others. It is the diplomatic representation of hierarchic society to itself, where all other expression is banned. Here the *most modern is also the most archaic*” (emphasis added)²⁰

“The commodity can only be understood in its undistorted essence when it become the universal category of society as a whole. Only in this context does the reification produced by commodity relations assume decisive importance both for the objective evolutions of society and for the stance adopted by men towards it. Only then does the commodity become crucial for the subjugation of men’s consciousness... and for their attempts to comprehend the process or to rebel against its disastrous effects and liberate themselves from servitude to the ‘second nature’ so created”²¹.

Marx’s planned project of separate studies of Landed Property, Wage-Labour, The World Market and the State were never begun. But although he could not have foreseen the trajectory of the future development of world history, his concepts help identify the direction in which a critique of the modern Statist economic can proceed. They are also crucial to a critical understanding of the historical role played by the various currents of orthodox Marxism in this century. Take for example, the treatment of ‘use-value’ in the classical tradition. (Despite the schism caused by the First World War and the Russian Revolution, Russian Social-Democracy and its adherents remain rooted in Second International Marxism). In this tradition, “there has always been a biological approach

20. Guy Debord, ‘Society of the Spectacle,’ (Elack & Red, 1977) para 23

21. George Lukacs, ‘History and Class Consciousness’, p. 86.

to need combined with a purely economic and technical definition of labour. Control was assumed to be solely a matter of ‘control’ over the means of production in the economic sense and the assumption was continued that societies meet a certain physiological substratum of needs²².

But if need, want and desire are not merely passively present, as a substratum which capital represses but are themselves actively formed by a social structure, then need too, appears as a historically determined abstraction, a social relation. Just as in exchange-value the producer is not a creator, but only socially abstract labour-power, in use-value the consumer is not an expression of desire and fulfilment, but of socially abstract Need - since exchange presupposes that the objects are already socially rationalized as useful. But this social rationality is grounded upon the fetishes of the commodity-form and the necessary illusions of the market-place. Thus, the apparent autonomisation of use-value is yet another necessary illusion, it expresses nothing but the subjugation of use-value to the logic of exchange-value. The ‘built-in obsolescence’ of certain commodities, the psychology of consumerism, the deliberate destruction of use-value, and the careful manipulation of mimetic need- all these phenomena point towards what Debord calls the tendency of use-value to fall, which constantly develops newer forms of privation within increased survival. This artificial scarcity is made possible only through the mass consumption of illusions—and this fact has implications both for a theory of the ‘media’ and of the state. In short, capital must be seen not merely as a dictatorship over labouring capacities, but as a dictatorship over needs as well.

To carry this discussion a little further, consider the case of the advertising ‘industry’, which uses so-called neutral, managerial skills to create halos of desirability around every conceivable type of commodity. This activity, which is not simply communication, (which is its use-value), but a determinate social form of communication whose aim is the deliberate instigation of need for the requirements of accumulation, has now become the supreme ideological industry. The widespread currency of the notion of ‘image’ for example, demonstrates that advertising has destroyed the concept of ‘truth’

22. Robert D’Amica, ‘Desire and the Commodity-form’, in *Telos*, no. 35 (Spring, 1978, p. 81)

and replaced it by ‘credibility’. *In politics and in commerce, nothing is true or false, it is either credible or incredible, i.e., its image either sells or does not sell.* In this sense, the Nazi propaganda chief, Goebbels was the first great mass scale advertiser. Today, governments, politicians, and capitalists are all engaged in the mass production of images, whose effective function is the erosion of historical consciousness, the engenderment of false needs, (such as Star Wars, Asiads, and other spectacular events and personages), the generalization of the bourgeois personality (individualist, acquisitive hedonist), and the perpetuation of the commodity-form. Being, which at first degenerated into Having, has now evaporated into mere Appearing.

The implication of the above is that our view of the State must go beyond the notion of instrumentality. A stray remark by Marx runs thus: the state is the concentrated expression of bourgeois Society.²³ But just as money predates and anticipates capital, so does the state predate and anticipate its own modern Leviathan form. Moreover, money, statehood and patriarchy strengthen and fuse into one another and become part of the prehistory of capital. The state embodies and upholds the abstract principles of authority, patriarchy and domination. It grows historically by posting the ‘Other’ (which is nothing but the fetishisation of internal conflict), and its most common denominator remains the organization of systematic violence. Being both precedent and arena of capitalism, it cannot be treated as a mere tangential structure or epiphenomenon of capital. The advent of self-expanding value creates both necessity and the possibility of metamorphoses in the state form, which gradually discards its medieval attire and begin to base itself on a secular administration: the separation of the ethical from the economic domain. The state fuses with capital and provides for it the ground for its political legitimization. One might say that the state comes of age under capitalism. In this way, “the most modern is simultaneously the most archaic.”

In the global market-place, abstract Wealth, abstract Rights and Duties, abstract Power and abstract Needs all rule together. Instead of the state being the “parasitic excrescence of social life”, (Marx) now social life degenerates into the show-window of the state, and

23. Grundrisse, p. 108. The note reads, “Concentration of bourgeois society in the form of the state.” (Pardon the slight misquote. D.S.)

human life becomes a representation of a representation of itself.

The state is thus a 'concentrate' not merely of capitalist social relations, but of historically given social relations which preceded capitalism as well. The industrial revolution and democracy serve (among other things) as military and political modes of strengthening the state, which, in its new persona of state-capital and capitalist-state, generates over newer forms of organized violence to beat down popular resistance. Being itself the percolate of historical violence, the modern state both provokes and feeds upon incessant social turmoil and the forms of human personality arising within such a society. Accumulation is accompanied by all-round militarization, with the so-called Defence Establishment emerging at the core of state-life as the repository of all class-patriarchal virtues-Duty, Discipline, Order, Obedience, Manliness, Patriotism, and so on. The benign ghost of Lord Keynes, now bedecked with medals of valour, hovers over the military industrial complex.

Whenever capitalism entered period of declining investments and profitability, the capitalist and economic 'scientists' proposed, (as they so now, in the approaching crisis), the still-further expansion of productivity for restoring the profitability of capital. This can of course, be their only solution. Its consequences are increasing monopolization of science and technology, and their subordination to the specific interests of conflicting capitals. International planning for meeting the real, human needs of the world's population is impossible due to the nation-statist form of capital. Productive power hence turns increasingly into destructive potential which threatens the very continuation of the human race. Clearly, capitalism has long since ceased to be a vehicle for the growth of social forces of production.

Today the social intellect can manipulate the natural world so as to completely abolish material and cultural deprivation. But capital creates social disposable time not to leave it as such, for the benefit of society, but to transform it into surplus labour time, into profit.²⁴ For capital, the worker is not a condition of production so much as work itself—

24. For the concept of disposable time, see Grundrisse p. 708. It may be relevant to point out that 'disposal time' in this sense implies only the negation of necessary time, but a post-capitalist

if machines, water and air could produce profit, so much the better. Thus productivity and unemployment go hand in hand. (When the modern bourgeois announce that automation renders Marx's theory of capitalist production anachronistic, one can only respond that if anything is truly anachronistic, it is capitalism itself).

For Marx, the real wealth is humanity and its collective productive power; and its measure ought to be disposable time. But under capitalism, wealth is founded upon poverty and could not exist without it, in much the same way as the wealth of Southern Africa's racists is founded upon the misery of its subject population. The property and power of the few presupposes the destitution and powerlessness of the many. The economy of time has become the economy of cash; it is a common place nowadays to say, "Time is Money" since time has ceased to be an expression of human life, whilst human and nature have become mere carcasses of the time of capital. Nearly a century and half ago, in 1840, Robert Owen, one of the earliest Utopian socialists, wrote, "Since the general introduction of soul-less mechanism in British manufactures, people have, with rare exceptions been treated as a secondary and subordinate machine, and far more attention has been given to the perfection of the raw materials of wood and metals than to those of body and spirit."²⁵ After two world wars and in the age of artificial intelligence, his words serve to remind us that it is ultimately only the powers of our collective body and spirit that can pull us back from the brink of self-destruction and heal the wounds of ruptured humanity.

society might be able to transcend this fragmentation of time just as it may well go beyond the categories of 'work' and 'leisure'.

25. Robert Owen, 'Essays on the formation of the human character.' Quoted Grundrisse, p. 711

Footnotes:

1. *W.J. Barber*, *A History of Economic Thought*, p. 168.
2. *Joan Robinson*, *An Essay on Marxism Economics* quoted in *Roman Rosdolsky*, *The Making of Marx's 'Capital'* 48 p. 53
3. *Karl Marx Capital Vol. III Chapter 48* (p 814)
4. *Marx*, *Capital Vol. III* p 830
5. *Marx*, *Grundrisse*, (Pelican, 1973), p 99. (This section is entitled "Introduction" and is also available in Marx's "Contribution to the Critique of Political Economy".)
6. *ibid*, p 106 emphasis mine (DS)
7. *ibid*. p 104
8. This notion of the regime of capital as being the reign of reified economic categories to which real human being are attached as mere representations, is the central theme of Marx's critique of political economy, and recurs throughout 'Capital' & 'Theories of Surplus value' (TSV). The following references are purely indicative: *Capital Vol I Ch. I sec. 4*, also pages 256-259, 292-3. 304-310. TSV Part I Addenda 11& 12, pages 386-409.
9. TSV/I/p. 390
10. See *Marx*, 'A Contribution to the Critique of Political Economy,' pages 27-52. Also refer to the chapters on Commodities; Exchange and Money in Section I of 'Capital.'
11. Commenting on the labour of handicraftsmen and peasants in capitalist society, (TSV/I/p. 409), Marx writes, "...in this society unity appears as accidental, *separation* as normal; and consequently, separation is maintained as a relation even when one person unites the separate functions. Here emerges in a very striking way the fact that the capitalist as such is only a function of capital, the labourer a function of labour-power..."
12. 'Capital', Vol. I (new translation, hereafter referred to as NT) p. 188.
13. 'Capital', Vol. I p.92
14. 'Capital', Vol. I (NT) p.226
15. *Marx & Engels*, *Collected Works*, Vol 3, pages 323-325.
16. *Grundrisse*, p. 163.

17. Grundrisse, p. 149
18. Ibid., p. 261
19. *I.I. Rubin*, 'Essay on Marx's Theory of Value' p. 31
20. *Guy Debord*, 'Society of the Spectacle,' (Elack & Red, 1977) para 23
21. *George Lukacs*, 'History and Class Consciousness', p. 86.
22. *Robert D'Amica*, 'Desire and the Commodity-form', in *Telos*, no. 35 (Spring, 1978, p. 81)
23. Grundrisse, p. 108. The rough note reads, "Concentration of bourgeois society in the form of the state." (Pardon the slight misquote. D.S.)
24. For the concept of disposable time, see Grundrisse p. 708. It may be relevant to point out that 'disposal time' in this sense implies only the negation of necessary time, but a post-capitalist society might be able to transcend this fragmentation of time just as it may well go beyond the categories of 'work' and 'leisure'.
25. *Robert Owen*, 'Essays on the formation of the human character.' Quoted Grundrisse, p. 711